

**BEFORE
THE
FEDERAL ENERGY REGULATORY COMMISSION
UNITED STATES OF AMERICA**

APPLICATION FOR A PRELIMINARY PERMIT

LOCK+™ HYDRO FRIENDS FUND III, LLC

**Melvin Price Locks & Dam
West Alton, MO**

Lock+ Hydro Friends Fund III, LLC

July 23, 2013

INITIAL STATEMENT**PRELIMINARY PERMIT APPLICATION FOR
LOCK+™ HYDRO FRIENDS FUND III, LLC
Melvin Price Locks & Dam Project****A. INITIAL STATEMENT****Statement of Purpose**

Lock+™ Hydro Friends Fund III, LLC (HFF or Applicant), a wholly owned development subsidiary of Hydro Green Energy, LLC (HGE) of Westmont, IL, hereby applies to the Federal Energy Regulatory Commission (FERC) for a preliminary permit for a proposed hydropower project at United States Army Corps of Engineers (USACE) Melvin Price Locks & Dam as described in the attached exhibits.

This application is made in order so that the Applicant may maintain priority of application for a license for the project under Part 1 of the Federal Power Act while obtaining the data and performing the acts required to support a license application for the project.

2. Project Location

The approximate location of the proposed project on the Mississippi River is:

| Point | Lat (N) | Long (W) |
|--------------|----------------------|----------------------|
| 1 | 38°51'59.67"N | 90° 9'19.52"W |
| 2 | 38°51'53.35"N | 90° 9'25.08"W |
| 3 | 38°51'50.68"N | 90° 9'18.48"W |
| 4 | 38°51'55.38"N | 90° 9'8.72"W |

State or territory: Missouri (Hydropower plant)
Illinois (USACE Dam and Interconnection)

Counties: St. Charles County, MO (Hydropower plant)
Madison County, IL (USACE Dam and Interconnection)

Township or nearby town: West Alton, MO
Alton, IL

Stream or other body of water: Mississippi River

3. Applicant's Contact Information

The exact name, business address, telephone number, fax and email for the applicant are:

Lock+ Hydro Friends Fund III, LLC
4900 Woodway, Suite 745
Houston, TX 77056
877-556-6566

The exact name, business address, telephone number, fax and email for each person authorized to act as an agent

for the applicant in this application are:

Mark R. Stover
Vice President, Corporate Affairs
Hydro Green Energy, LLC
900 Oakmont Lane, Suite 301
Westmont, IL 60559
877-556-6566 x711 (work)
mark@hgenergy.com

Wayne Krouse, Managing Partner
Lock+ Hydro Friends Fund III, LLC
4900 Woodway, Suite 745
Houston, TX 77056
877-556-6566 x-709
wayne@hgenergy.com

4. Statement of Authority

The Applicant is a domestic corporation and is not claiming municipal preference under section 7(a) of the Federal Power Act.

5. Term of Permit

The proposed term of the requested preliminary permit is 36 months.

6. Existing Dams or Other Project Facilities

The head effect from the USACE Melvin Price Locks & Dam would be utilized by the proposed project, but the proposed project itself will not interact physically with the moveable gates of the dam or locks. Specifically, a large frame module hydropower system will be integrated into the weir west of the USACE movable gates and be outfitted with Hydro Green Energy's patented hydropower technology to generate power from existing water resources without impacting the locking operations of USACE. This HGE technology is currently being licensed for deployment at the Braddock Locks & Dam Project near Pittsburgh, PA (P-13739) and other sites in the United States. The proposed project will operate in run-of-release fashion.

B. ADDITIONAL INFORMATION REQUIRED BY 18 C.F.R. § 4.32(a)

1. The identity of every person, citizen, association of citizens, domestic corporation, municipality, or state that has or intends to obtain and will maintain any proprietary right necessary to construct, operate, or maintain the Project, other than the Applicant:

Hydro Green Energy, LLC – the owner of HFF III, LLC

2. Every county in which any part of the project, and any Federal facilities that would be used by the project, would be located is listed as follows:

St. Charles County, MO
201 N. Second St.
St. Charles, MO 63301

Madison County, IL
County Board Office
157 North Main Street
Suite 165
Edwardsville, IL. 62025

3. Every city, town, or similar local political subdivision

a) In which any part of the project, and any Federal facilities that would be used by the project, would be located:

West Alton, MO
West Alton City Hall
PO Box 42
West Alton, MO 63386

Alton, IL
Alton City Hall
101 E 3rd St
Alton, IL 62002

b) That has a population of 5,000 or more people and is located within 15 miles of the project dam:

Alton, IL
Alton City Hall
101 E 3rd St
Alton, IL 62002

4. Every irrigation district, drainage district, or similar special purpose political subdivision

a) In which any part of the project, and any Federal facilities that would be used by the project, would be located:

None of which we are aware

b) That owns, operates, maintains, or uses any project facilities or any Federal facilities that would be used by the project:

None of which we are aware

5. Every other political subdivision in the general area of the project that there is reason to believe would likely be interested in, or affected by, the application:

None of which we are aware

6. All Indian tribes that may be affected by the project:

None of which we are aware

C. ATTACHED EXHIBITS

- Exhibit 1: Description of Proposed Project
- Exhibit 2: Study Plan and Work Schedule
- Exhibit 3: Statement of Costs and Financing
- Exhibit 4: Project Maps

EXHIBIT 1**DESCRIPTION OF PROPOSED PROJECT****1. Proposed Facility**

The project site is located in the area immediately adjacent to USACE Melvin Price Locks & Dam. Melvin Price Locks and Dam replaced Lock and Dam 26, which was demolished in 1990. The construction of the Melvin Price Locks and Dam constituted the first replacement of an original installation of the 9-Foot Channel Project. The new structure is located two miles downstream of the razed Lock and Dam 26.

The main lock is 1,200 feet (370 m) long and 110 feet (34 m) wide; the auxiliary is 600 feet (180 m) long and 110 feet (34 m) wide. The main lock has a vertical lift gate and a miter gate while the aux. lock has two miter gates. The dam is 1,160 feet (350 m) long with 9 tainter gates, each 110 feet (34 m) wide by 42 feet (13 m) high. A weir approximately 1,900 feet in length runs from the most western tainter gate to the shore of West Alton, MO. Highlights of the dam are contained in the following chart.

| | |
|--|----------------------------------|
| Location: | Alton, IL and West Alton, MO |
| Mississippi River Mile: | 200.5 |
| 1st Day of Operation: | October 10, 1989 |
| Average lift: | 15 feet |
| Pool size: | 31,000 acres |
| Pool length: | 40.6 miles |
| Lock characteristics (Main Chamber): | 1,200 feet long, 110 feet wide |
| Lock characteristics (Auxiliary Chamber): | 600 feet long, 110 feet wide |
| Dam Characteristics: | 1,160 feet long, 9 Tainter Gates |

The project boundaries encompass the lands on the western end of the dam both to the upstream and to the downstream side, which will include the powerhouse, tailrace, new switchyard, new transformer and control room. For an image of the project boundaries, please refer to Illustrations in Exhibit 4. The proposed project would be developed in coordination with the U.S. Army Corps of Engineers.

The output from the uni-directional turbines will be generated by water diverted from the Mississippi River in into the new powerhouse. Flows to the hydro plant would be coordinated with USACE. The project will operate in run-of-release mode. The generated power would be delivered to the grid at an existing power line tie in that is approximately 4.8 miles from the dam. The hydropower development will provide electric generation for the electric power grid.

The hydropower development will consist of a steel frame modular hydropower system with 50 hydropower turbines, which will be installed side by side into the weir west of the moveable gates. Flow control door assemblies will be installed that can open and close off flow to the units during an event that would require a suspension of generation.

Each of the turbines will have a nameplate capacity of approximately 1.5 MW based on a recorded net head of 21 feet. The entire system of turbines should produce approximately 75 MW. The diameter of each

turbine will be approximately 2.5 meters.

The dimensions of the Large Frame Module (LFM) hydropower system will be approximately 750' (l) x 22' (w) x 66' (h). The system does not require penstocks. The dimensions of the tailrace are expected to be 750' (w) x 550' (l).

2. Reservoirs

The Project will not utilize or create reservoirs, only a conduit for a run-of-river facility. The Project will utilize head created by the facilities existing at Melvin Price Locks & Dam. All work will be done in close consultation with the U.S. Army Corps of Engineers.

3. Transmission Line

The generated power will connect to the electric grid with the installation of a new transformer in a new switchyard. A new 69 kV or 115 kV transmission line will run approximately 4.8 miles to connect to an existing substation.

4. Power Production

The expected annual output of the project is 427,050 MWh.

5. Federal Lands

The Project may use territory owned by the United States Army Corps of Engineers. With this in mind, Hydro Green will take all appropriate measures to consult with all relevant federal agencies over the Project.

6. Public Interest

The Project as proposed would have a substantial benefit to the public. For one, all power produced would be emissions-free, domestic and clean. Second, the project would result in direct economic benefits to the local community in terms of construction, installation and maintenance jobs. Finally, initial calculations run by Hydro Green Energy point to competitively priced power being generated at the facility – power that will also be available during peak power demand periods and on a very reliable, predictable basis.

EXHIBIT 2

STUDY PLAN AND WORK SCHEDULE

1. Work Already Undertaken:

The Applicant has reviewed previous applications before the Commission.

2. Work Plan for Proposed Studies

The studies, which will determine the ultimate feasibility of the project and support an application for licensing, will include investigations, testing and surveys as follows:

1. Subsurface investigation and review of foundation requirements.
2. Topographic survey of project site.
3. Studies for determination of the best location for the electric grid connection.
4. Selection of the optimum configuration for the project, estimate of project costs and cost per kWh of generation.
5. Detailed estimate of energy generated and expected revenues from the sale of power.
6. An assessment of the environmental impacts of the project and adaptive management studies.
7. Determination of licensing requirements and other federal, state and local permits or approvals necessary for construction and operation of the project.
8. Examination of legal and financial factors influencing feasibility of the project.
9. Development of a detailed schedule for implementing the project.

There will be no activity which will alter or disturb land or waters in the vicinity of the proposed project as part of the preliminary permit activities. During the course of the studies and investigations, the applicant, if necessary, will consult with interested federal, state and local agencies.

It is anticipated that no new roads will be built for the project.

The schedule of activities to be completed by the applicant during the permit period is shown on the following chart:

EXHIBIT 3

COSTS AND FINANCING

1. Estimated Cost of Work

The Applicant estimates the cost for the activities identified in Exhibit 2 is approximately \$750,000. These costs will cover professional fees for engineering, legal, financial advisory and other consulting services, and administrative and miscellaneous costs. This estimate of costs is for work required up to and including the submittal of an application for a license for the project.

2. Source of Funds

The Applicant and its project financial partners have the financial resources necessary to perform the activities described in this application.

3. Market for Power

The Applicant intends to sell the competitively priced power to a local utility or on a merchant power basis into MISO or PJM, if feasible.

EXHIBIT 4

PROJECT MAPS

Illustration 1 – Map of Project Area Boundary with Switchyard
Illustration 2 – Map of Transmission Line and Interconnection

NOTE: No part of the Project is designated or under study as a Wilderness Area or Wild and Scenic River.

Illustration 1 (Map of Project & Boundary and Surrounding Area in Missouri)

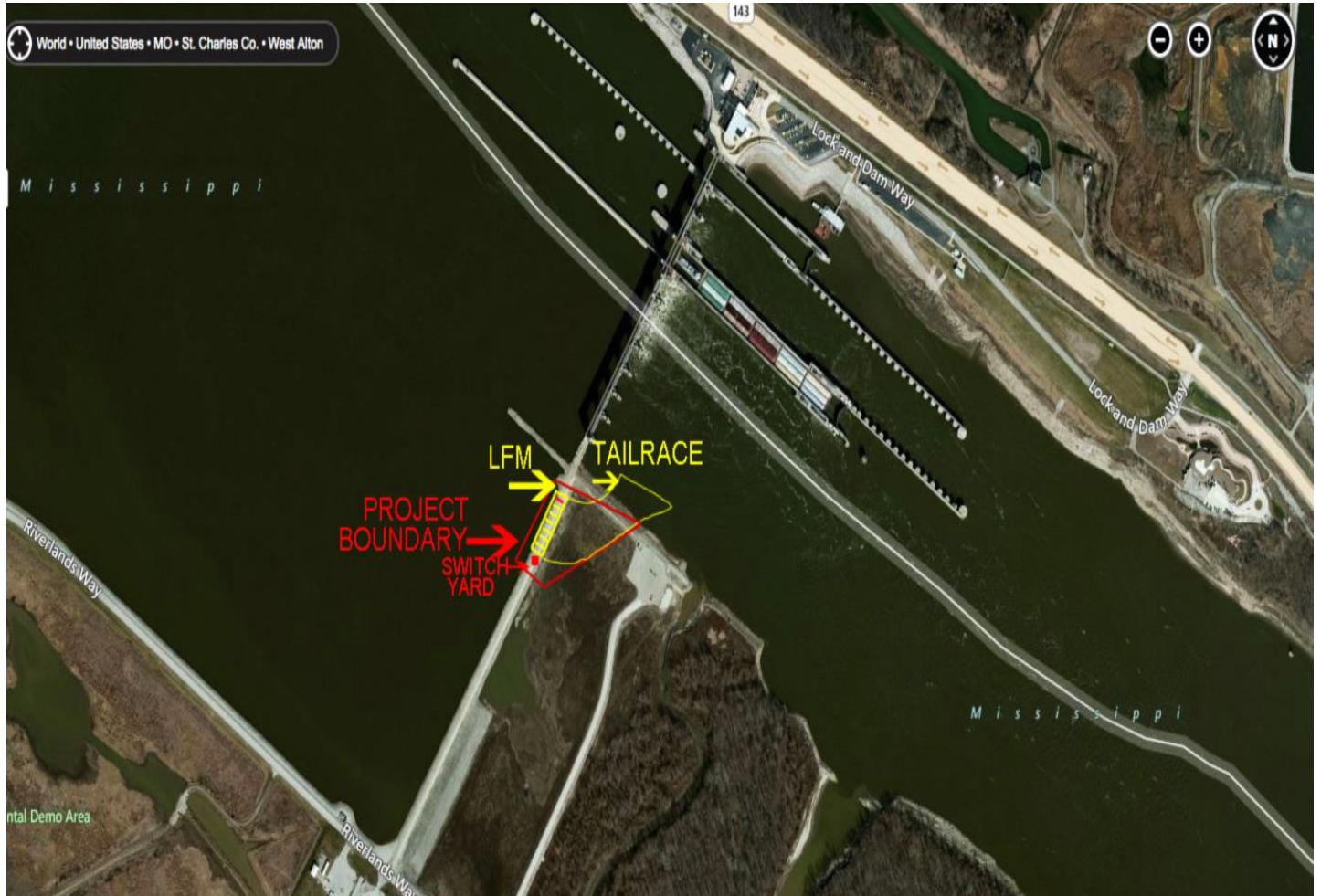


Illustration 2 (Map of Transmission Line and Interconnection in IL)



SUBSCRIPTION & VERIFICATION

This application for a preliminary permit is executed in the State of Texas, Harris County, by Lock+™ Hydro Friends Fund XIX (HFF III), a wholly owned project development subsidiary of Hydro Green Energy, LLC of Westmont, IL.

Wayne F. Krouse, as Managing Member of HFF III and Founder and Chairman and Hydro Green Energy, LLC, being duly sworn, deposes and says that the contents of this application are true to the best of his knowledge or belief.

The undersigned applicant has signed the application this 22 day of July, 2013.

Applicant: Lock+™ Hydro Friends Fund III
4900 Woodway
Suite 745
Houston, TX 77056


By: Wayne F. Krouse, Managing Member, HFF III

Subscribed and sworn to before me, a Notary Public of the State of Alabama (state of residence of Wayne F. Krouse, Managing Member of HFF III), this ____ day of _____, 20__.

My Commission expires on _____.

Document Content(s)

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